

GIFT CARDS AND GIFT CERTIFICATES

consumer *brief*

Many of us have received or given gift cards or gift certificates. The Toner Group, a Massachusetts resale firm, estimates gift card sales will exceed \$100 billion in 2008.

What ensures that your gift certificate or gift card doesn't expire and become a worthless piece of paper or plastic? New Jersey has a [Gift Card Act](#) that covers not only gift cards but also gift certificates. The law is intended to end commercial practices that use hidden expiration dates to reduce the value of the gift card or gift certificate and add consumer protections.

NEW JERSEY'S GIFT CARD ACT

A SUMMARY OF KEY FEATURES:

- The Gift Card Act focuses on retailers that issue their own gift card or gift certificate and does not apply to bank-issued cards that have a specific predetermined amount on the card which is usable at a merchant or an ATM.
- Expiration date and dormancy fee, if any, must be disclosed.
- No gift card or gift certificate can expire for 24 months after purchase.
- After 24 months, it is permissible for the retailer to charge a "dormancy fee," but it may not exceed \$2.00 per month.

The dormancy fee cannot be imposed within 24 months following the date of sale or within the 24 months immediately following the most recent activity in which the gift card or gift certificate was used.

- A gift card's packaging or sales receipt must include a telephone number to call for information about expiration date or dormancy fees.

CONSUMERS CAN PROTECT THEMSELVES BY TAKING THESE ACTIONS:

- Read the fine print when purchasing gift cards or gift certificates.
- Not all gift cards or gift certificates can be used to buy merchandise online, so be sure to ask.
- Being a smart and savvy consumer is always the best protection of all, so it pays to know the law.



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